

August 8, 2018

Seward Economic Development Program - LB 840 Application Review Board

August 8, 2018 - 5:30 p.m.

Seward Municipal Building, Council Chambers, 142 North 7th Street, Seward, Nebraska

The meeting was called to order at 5:30 p.m., with the following members present: Ellen Beck, Karl Miller, Jessica Kolterman, Ann Underwood, John Owens, Patricia Coldiron, Jeremy Tonniges; Absent: Patricia Johnson. Also in attendance were: Seward County Chamber & Development Partnership Director Jonathan Jank, Mayor Joshua Eickmeier, City Administrator/Program Administrator Greg Butcher, Councilmember Chris Schmit, Trey Ertmer (Southeast Nebraska Development District), Ben Benson (B & M Seed LLC, Big Cob Hybrids), Marilyn D. Varner, Deputy Clerk/Finance Director/Assistant Treasurer (recording minutes).

1. MINUTES - JUNE 13, 2018

Moved by Underwood, seconded by Kolterman, that the June 13, 2018 minutes be approved.

Aye: Miller, Coldiron, Tonniges, Owens, Beck, Kolterman, Underwood

Nay: None

Absent: Johnson. Motion carried.

2. FINANCIAL REPORTS - REVIEW

Moved by Underwood, seconded by Owens, that the financial reports ending July 31, 2018, be approved.

Aye: Miller, Coldiron, Tonniges, Owens, Beck, Kolterman, Underwood

Nay: None

Absent: Johnson. Motion carried.

3. LB 840 PROGRAM GUIDELINES & HISTORY

Mayor Eickmeier reviewed the City's Economic Development Plan, which he explained is very flexible, with broad criteria. He complimented the Board members for their service to the City. After the Board's last meeting on June 13, 2018, where three applications for loans and grants were approved, he received some public comment about the decisions that were made. He explained that the biggest impact to the community is maintaining revolving funds (loan repayment), and Seward has been lucky so far in that all loans are being repaid in a timely manner.

The City's economic development funds are usually used for gap financing. The City does not want to be in direct competition with the banks' lending.

In the past, the LB 840 Board has received some applications for grants only. He emphasized the best policy would be to refocus on low-interest loans. He felt that if a grant was larger than the interest collected on the loan portion approved, possibly just a zero-interest loan could be approved, whereby the City would recover funds. Instead of a grant, a forgivable loan could be approved, with the City recapturing some of the funds.

Mayor Eickmeier cautioned the process of making grants as a percentage of the total amount requested by an applicant.

He also suggested each application should be processed/voted on separately, since members may have differing opinions/viewpoints on each.

Some discussion was held regarding loans/grants to tenants instead of landowners. Sometimes commercial leases tend to be shorter (five years), when loans are sometimes made for ten years. The issue of security was also mentioned, since the City cannot usually file a deed of trust for rented property.

In summary, Mayor Eickmeier felt emphasized that cash flow depends on loans being returned to the fund for future distribution.

Some discussion was held about a means to distribute applicant's financial information securely. This information is available at the meeting, but that process does not provide enough time for members' review. Some thought will be given to a means to make this information more readily available.

4. BEN BENSON (BIG COB HYBRIDS); 1253 - 280TH ROAD; LOAN \$52,500.00; GRANT \$52,500.00; (TOTAL \$105,000.00)

Ben Benson, (B & M Seed LLC, Big Cob Hybrids), 1253 - 280th Road was present and reviewed his history in the community. The business is one of only two remaining independent seed businesses based in Nebraska, and offers complete field-by-field planning services, along with high-quality corn and soybean seed. It currently has nine full-time employees.

Mr. Benson's application would help provide additional office work space and increase storage capacity through use of bulk soybean bins. An estimated three full-time and three seasonal positions could be created.

Discussion was held on the need for additional funding from the Board. Mr. Benson explained that if additional funding were approved, it would alleviate some personal capital which has been invested in the company. He felt that the requested funding would help in advancing his business development.

An Economic Development Community Development Block Grant loan was discussed, since the City has approximately \$140,000.00 available from these funds.

Mr Benson was asked if he would accept a loan only from LB 840 funds, to which he replied he would.

Moved by Kolterman, seconded by Beck, to approve a \$52,500.00 loan for five (5) years (sixty (60) months) at one-half of the prime interest rate (5.00 x .5 - 2.50 percent) for Ben Benson dba B & M Seed LLC (Big Cob Hybrids), 1253 - 280th Road.

Aye: Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: Underwood

Absent: Johnson. Motion carried.

5. DOWNTOWN REVITALIZATION GRANT APPLICATIONS - REVIEW & RECOMMENDATION TO COUNCIL

Administrator Butcher reviewed information on funding applications received (due by July 20, 2018) for the Seward 2018 Downtown Revitalization Grant. Mr. Butcher and Jonathan Jank reviewed the applications for correctness. A summary informational chart (copy attached) was distributed, with applicants listed in order of greatest amount of matching funds contributed. Two of the applications received did not qualify. Of the total \$350,000.00 grant, approximately \$307,000.00 is available for distribution to applicants, with the remainder of grant funds being used for administrative fees. Depending on the local decision to distribute funds, another round may be needed to finalize distribution of funds.

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A motion was made by Tonniges, seconded by Owens, to recommend approval of the funding request at the listed percentage match (65.52%) for \$50,000.00 for Kach Investments, LLC, 139 North 6th Street.

Aye: Owens, Beck, Kolterman, Underwood, Miller, Coldiron, Tonniges

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Miller, to recommend approval of the funding request at the listed percentage match (63.43%) for \$50,000.00 for Melissa Briggs, LMB Rentals, LLC, Allure, 526 Seward Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Underwood, to recommend denial of the funding request for Eva Sander, Oliver Masonic Lodge 38, Neutral Grounds, 147 South 6th Street, since the application is under \$1,000.00, which disqualifies it from the program.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Miller, to recommend approval of the funding request at the listed percentage match (59.69%) for \$15,000.00 for Else & Burger Properties, LLC, Seward Youth Center, Inc., GBE, CPA, 211 South 4th Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Beck, Kolterman

Abstaining: Owens

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Coldiron, to recommend approval of the funding request at the listed percentage match (59.40%) for \$50,000.00 for Josh Delcamp, Green Futures Properties, LLC, 132 South 5th Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Miller, seconded by Kolterman, to recommend approval of the funding request at the listed percentage match (57.00%) for \$6,318.85 for Bottle Rocket Brewing LLC, 230 South 5th Street.

Aye: Coldiron, Tonniges, Beck, Kolterman, Underwood, Miller

Abstaining: Owens

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Underwood, to recommend approval of the funding request at the listed percentage match (55.00%) for \$2,425.50 for Kenneth Schmieding, 143 South 6th Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

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A motion was made by Kolterman, seconded by Underwood, to recommend approval of the funding request at the listed percentage match (55.00%) for \$20,458.89 for Seward, LLC (former Ben Franklin/Dollar General building), 606 Seward Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Beck, to recommend approval of the funding request at the listed percentage match (55.00%) for \$10,732.43 for Jill Hochstein, Hochstein Holdings, LLC, 522 Seward Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Underwood, to recommend approval of the funding request at the listed percentage match (53.62%) for \$20,000.00 for Kirby Roth, Kirby Roth Insurance, 600 Seward Street.

Aye: Underwood, Miller, Coldiron Tonniges, Beck, Kolterman

Abstaining: Owens

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Coldiron, to recommend approval of the funding request at the listed percentage match (52.26%) for \$22,000.00 for Cosmic Cow, Inc., The Udder Store, 636 Seward Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Coldiron, seconded by Underwood, to recommend approval of the funding request at the listed percentage match (52.00%) for \$3,480.00 for Suzanne Gligorevic, inMotion Fitness, LLC, 648 Seward Street.

Aye: Tonniges, Owens, Beck, Kolterman, Underwood,, Miller, Coldiron

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Coldiron, to recommend approval of the funding request at the listed percentage match (51.66%) for \$50,000.00 for Josh Delcamp, Green Futures Properties, LLC, 156 South 5th Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Kolterman, seconded by Owens, to recommend approval of the funding request at the listed percentage match (51.06%) for \$50,000.00 for Estanislao Gutierrez, Rami, Manhas, La Cocina, 444 Seward Street.

Aye: Underwood, Miller, Coldiron, Tonniges, Owens, Beck, Kolterman

Nay: None

Absent: Johnson. Motion carried.

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A motion was made by Miller, seconded by Beck, to recommend approval of the funding request at the listed percentage match (50.01%) for \$4,490.00 for Scott Dinslage, Dinslage Real Estate LLC, 310 North 5th Street.

Aye: Tonniges, Owens, Beck, Kolterman, Underwood, Miller

Abstaining: Coldiron

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Owens, seconded by Underwood, to recommend approval of the funding request at the listed percentage match (50.00%) for \$17,250.00 for Kach 510, LLC, 640 Seward Street.

Aye: Beck, Kolterman, Underwood, Miller, Coldiron, Tonniges, Owens

Nay: None

Absent: Johnson. Motion carried.

A motion was made by Miller, seconded by Coldiron, to recommend approval of the funding request at the listed percentage match (50.00%) for \$12,252.50 for Et Cetera, Milford Mennonite Churches, 504 Seward Street.

Aye: Coldiron, Tonniges, Owens, Beck, Kolterman, Underwood, Miller

Nay: None

Absent: Johnson. Motion carried.

The next meeting was scheduled for Wednesday, August 15, 2018 at 5:30 p.m., for further review/action.

6. MOTION TO ADJOURN

The meeting was adjourned at 7:45 p.m. in a motion by Underwood, seconded by Kolterman.

Aye: Miller, Coldiron, Tonniges, Owens, Beck, Kolterman, Underwood

Nay: None

Absent: Johnson. Motion carried.